

83
.84
.583
x

E
83
.84
.583
x



BANCROFT LIBRARY

SPEECH

OF

HON. ISAAC I. STEVENS,

OF WASHINGTON TERRITORY,

ON THE

INDIAN WAR EXPENSES

OF

WASHINGTON AND OREGON.

DELIVERED

IN THE HOUSE OF REPRESENTATIVES,

FEBRUARY 21, 1859.



WASHINGTON:

PRINTED BY LEMUEL TOWERS.

1859.

E83



S P E E C H
OF
HON. ISAAC I. STEVENS,
OF WASHINGTON TERRITORY,
ON THE
INDIAN WAR EXPENSES
OF
WASHINGTON AND OREGON.

DELIVERED IN THE HOUSE OF REPRESENTATIVES, FEBRUARY 21, 1859.

The House being in Committee of the Whole on the state of the Union—Mr. I. STEVENS said:

At the last session of Congress, Mr. Chairman, I presented some observations in reference to the war debt of Oregon and Washington. In those observations, I endeavored to show that the calling out of the volunteers, by the Governors of these Territories, was a matter of public and imperative necessity. I also endeavored to show that their operations were, as a general thing, managed with judgment and economy. I did not, until a comparatively recent period, expect that I should trouble either the House or the Committee with any further observations on this question. But Congress, at its last session, failed to take any action in the matter of these war debts, and the Committee on Military Affairs did not even make a report. During the present session there has been action to a certain extent; for during the recess of Congress an examination was made of these claims by one of the auditing bureaus of the Government; and a report upon these claims has been made by the Auditor, submitted to this House, and referred to the Military Committee. The Military Committee, founding their action on this report, have adopted resolutions which have received the sanction of this House, referring the whole matter back again to the same Auditor, with instructions to reaudit the accounts, to reduce the prices for supplies, transportation, &c., to the cash prices of the country, the pay of the volunteers to that of the regular service, and in no case to allow more than \$200 for the value of a horse lost or killed in service, no matter how much its appraised value on the muster rolls, or its cash value in that country, may exceed that sum. The Third Auditor is to ascertain the amount due under these reductions, and is directed to report to Congress at the commencement of its next session.

Before entering further upon this question, I wish to say that I congratulate that distant country, that I congratulate my own constituents, that we have made one step forward in this business—for it is now generally admitted that there was a war raging in Oregon and Washington, and that that war spread from the forty-second to the forty-ninth parallel, and from the shores of the Pacific to a great distance in the interior. This fact has been admitted generally by members of the Committee on Military Affairs, by members of both branches of Congress, by the officers of the Army, and by the civil officers serving in those Territories; that the war threatened the very existence of the settlements, spread rapine and massacre over many districts, and could only be checked and ended, by the promptest organization, and the most decisive handling of the citizen soldiery of the country.

There is, indeed, one notable exception. The gentleman from New York, (Mr. OLIN,) the other day, was bold enough to take ground very different from that; and, in the remarks which he submitted to the House, he stated that, if certain facts were known, Congress would not pay one cent of the debt incurred. These are his words:

"I wish to say that I have had an opportunity to examine this report, and I can state, from my own observation, that it contains such an exposition of the origin and nature of these Oregon and Washington claims, that if it were placed before the House, they would, in my judgment, pronounce a judgment of condemnation upon the whole transaction."

The gentleman, in making that remark, has outheroded Herod. He has outwooled Wool—for Gen. Wool himself has recommended, in his official reports, the payment of a portion of these claims. Gen. Wool has not denied that there was a war in southern Oregon, which made the service of volunteers indispensable; nor has he denied that there was a war on Puget's Sound, which made it the duty of the authorities to call out volunteers. On the contrary, he has admitted, as I understand, that both in southern Oregon and on Puget's Sound, the services of the volunteers were indispensable. The gentleman from New York has a certain memoir in his mind, of which he relies to establish his conclusion—not simply a memoir, but a *topographical* memoir—the memoir of Capt. Thomas Jefferson Cram, of the army. He has stated that, if that memoir were published, it would convince all men that this claim is a fraud on the Government, and ought not to be sanctioned by Congress. He also says he has read that *topographical* memoir. So have I. It is a public document on the files of the Department, open to inspection. A topographical memoir is a memoir descriptive of the country, of its routes, its navigable streams, and its great avenues of communication, and should particularize all the facts which will enable you to decide how troops and supplies shall be moved. That which purports to be a topographical memoir is, in large part, made up of an account of the volunteer operations and of the treaty operations in that country. I find that in it there have been brought together all the flying, scandalous rumors, that were propagated throughout that country in the winter of 1855-'56. When I said to that gentleman that I desired the publication of that report, I said it with deliberation and judgment, because I think that the publication of that report will put a potent weapon in our hands to convince Congress that this debt is just, and ought to be paid. I, of course, do not accuse Capt. Cram of any intention to misrepresent, but its errors of statement are so glaring, and are so opposed to all the received facts at the present time, that it will have no weight whatever.

Why, sir, in this *topographical* memoir he has inveighed against the treaties made with the Indians in that country. He has made statements to establish which he cannot bring forward a tittle of evidence; but, on the contrary, the evidence is overwhelming and conclusive to establish the very contrary, and thereby he has arrayed himself against all the officers in service in that country, for as the matter has been examined the officers of the army, who once were opposed to those treaties, now insist that they shall be confirmed as the first condition of peace and tranquillity there. In the report of the Secretary of War at this session, you will find the urgent and strong recommendation of Brigadier General Clark, who was in command of the department of the Pacific during the recent hostilities, urging upon the Government the confirmation of those very treaties denounced in this topographical memoir of Captain Cram. Hear what General Clark says:

"Some time since I was persuaded that the treaties made by Governor Stevens, Superintendent of Indian Affairs for those Territories, with the Indian tribes east of the Cascade range, should not be confirmed. Since then circumstances have changed, and with them my views.

"The Indians made war and were subdued; by the former act they lost some of their claims by consideration, and by the latter the Government is enabled and justified in taking such steps as may give the best security for the future.

"The gold discovered in the north in the past year will carry a large emigration along the foothills of the eastern slope of the Cascades, and not improbably gold will be mined from every stream issuing from these mountains.

"This emigration must graze and cultivate the valleys of these rivers, or draw supplies from long distances at great expense, and at times with great suffering.

"That the country will soon be filled with emigrants, led on by the irresistible temptation of mining admits of no doubt, and as little that the Indians will then be dispossessed by force if not by treaty.

"The pacification now made, to be lasting, must now be complete; the limits of the Indians should now be drawn, not to be again disturbed.

"Influenced by these views, I decided to urge on the department the immediate confirmation of these treaties, or of modifications of them, the payment of the stipulated price, and the opening of the lands to settlers."

There is on the files of the War Department the urgent recommendation of Colonel Mansfield, the inspector general of the army, also urging the confirmation of the treaties. In recent letters to me Colonel Mansfield says:

"I have this mail reported to the Secretary of War direct, that the treaties made by you in the department be confirmed without further delay, and I have urged it strongly. They must not be left over another year!

"Now, lastly, urge the confirmation of the treaties with the Indians. I have reported to the effect without exception and have urged it strongly."

Only a few days since there was sent to the Senate, the report of Judge Mott, who went out to that country as a commissioner, and who examined into these treaties, and has given it as his opinion that not only justice to the Indians, but the very peace of the country, and a great saving to the national treasury, are dependent upon their confirmation. After most earnestly recommending the ratification of all the treaties made with the Indian tribes in Oregon and Washington, now before the Senate, Judge Mott says:

"Whilst it is true, that a ratification of these treaties may increase the expenditures of the Indian service for a time, it is perfectly apparent to my mind, that it will obviate a further necessity for the large appropriations required for the army service and war debts—the subduing a people made hostile by a 'penny wise and pound foolish policy'—and that it will in the end prove to be the most economical course we could adopt.

"The course hitherto pursued by Congress, of voting appropriations utterly inadequate to discharge our national obligations to the aborigines, followed by the heavy expenditures thereby necessarily entailed on the War Department, besides being amenable to many other objections, has, with the usual fate of a parsimonious policy, proved to be the most expensive in the end.

"We have taken from this people a country, some of which is as fine as ever the sun shone upon; we have made millions of money by the bargains we compel them to accept; and yet refuse to comply with our portion of the contract. Justice, humanity, and every principle of fair dealing, imperiously demand the ratification of these treaties."

I allude, sir, to these facts, inasmuch as an attempt has been made to cram Captain Cram's report down our throats on various occasions. I refer to it to show how reliable his statements are in reference to the Indian treaties. His statements will be found equally reliable, when treating of the volunteer operations in these Territories. If gentlemen had any doubt about the disturbances of 1855-'56, it would seem that the recent Indian war in Washington Territory would remove these doubts. This war was not brought on by the outrages of the white inhabitants, as was alleged in the case of the war of 1855-'56, for there were no white inhabitants amongst the Indians who brought on this war. This war was not brought on by the movement of the volunteers, for there were no volunteers in the field; but it was an affair exclusively between the regular troops and the Indians. It would seem that the war of 1858 commencing by the defeat of Steptoe, and which ended in the brilliant and successful operations of Wright and Garnett, under the lead of the able, energetic, and gallant veteran General Clarke, would show the true condition of our Indian relations. Sir, the combination of hostile tribes of 1858, in extent and magnitude, did not compare with the magnitude of the combination of 1855-'56, for last season it was simply the tribes east of the Cascades, but in 1855-'56 the flames of war spread over the country both west and east of the Cascades. In 1855-'56, the combination was infinitely more formidable even east of the Cascades, than was the combination of 1858; yet, last year it required the very utmost exertions—it required that the commanding officer of the Pacific should send to the Gila and to every part of California to collect troops. Three months were occupied in concentrating these troops in the Walla Walla and preparing for the field. Two columns, numbering nearly one thousand men, were organized and sent against the enemy, and such were the preparations and such was the campaign required to suppress the late disturbances. But, I will assume, as I have a right to assume, that the question of the necessity of calling out the volunteers of 1855-'56 is practically admitted; that we have not to come before this Congress to argue this question, but that we stand here to demand of this Congress the payment of our just dues; and to this point I shall direct my observations.

I have said that the Third Auditor of the Treasury has made an examination into these accounts, that he has reported to the House the result of that examination, that the Committee on Military Affairs have submitted to this House resolutions referring the whole matter back to the Auditor, and that the House has actually referred the matter back for report.

Now, sir, the last Congress passed a law in regard to this matter, and it sent out a Commission to that Territory, which Commission, after a laborious examination of one year, reported upon the amount due to the territorial governments of Oregon and Washington, in consequence of that war. I give the law in full:

"SEC. 11. *And be it further enacted*, That the Secretary of War be directed to examine into the amount of expenses necessarily incurred in the suppression of Indian hostilities in the late Indian war in Oregon and Washington by the territorial governments of said Territories, for the maintenance of the volunteer forces engaged in said war, including pay of volunteers, and that he may, if in his judgment it be necessary, direct a Commission of three to proceed to ascertain and report to him all expenses incurred for purposes above specified."

I may now ask why was this course pursued? Why were Commissioners directed to proceed to that country to make that examination? Why did not this Congress

do as the present House has done—refer it at once to the Third Auditor? Why did it not direct the Secretary of War to call upon the territorial governments to forward their reports of the war claims to the Third Auditor in order that they might be examined in his office? Mr. Chairman, the reason is obvious. It was an impracticable thing for an examination to be had in any office in this city. If Congress had taken this course of referring, in the first instance, the whole question to the Third Auditor, it would have devolved upon him duties which he could not have performed, and for that reason it wisely and properly directed a Commission to proceed to that country to inquire into all the circumstances of the case. Now, six of the three members of that Commission were officers of the army who had served for long years in that country; they were familiar with its population and resources; they were familiar with prices; they were familiar with the Indians in that country; they combined in their two persons the whole experience of the country which was the theatre of the war, for the President of the Commission, Captain A. J. Smith, had served in southern Oregon, and was familiar with the Rogue River war.

Captain Ingalls was the principal quartermaster for the district of the Columbia river, and was familiar with all the operations—with the movements of the troops and with the cost of supplies and transportation, both of the volunteers and regulars.

Well, sir, these two officers of the army, with my friend from Oregon who now sits on my right, (Mr. GROVER,) who had served on previous Commissions to the acceptance of the Government and of the people of Oregon, who participated in the operations of the troops in this campaign, both in Oregon and Washington Territories, constituted that Commission. They took sworn testimony as to the prices in order to determine what was justly due, and they made their awards accordingly.

Now, sir, is the report of such a Commission, made from facts within their own knowledge, and from sworn testimony taken before them, worthy of the consideration of this House? Is it worthy of as much consideration as the report of the Third Auditor of the Treasury, upon which this House has referred these claims back for readjustment? Sir, I have no question of the honesty of that officer, and that he will make up his report from the best information within his possession. But I submit to this Committee that, from the very nature of the case, that report will bear upon its face the marks of absurdity. Sir, the report of the Third Auditor upon which this House has founded its action, is unjust to the volunteer service, is unjust to the people of Washington and Oregon, it is full of errors, misunderstandings, and false conclusions; and it has led this House to take action which I predict will lead to nothing, because you have devolved a duty upon that officer which he has not the means of executing.

To show how inconclusive and absurd is this devolving upon officers examination and reports which can only be made on the ground, I will touch only upon a few of the points in the report which the Third Auditor has made to this House, in order to show the errors and inconsistencies in it, and the errors and inconsistencies which are to be expected in any future report. I will speak first in regard to the price of horses used in the volunteer service. The Commission fixed the maximum price of horses at \$400 each, and the price ranged from \$400 down to \$100. The Third Auditor finds that horses were purchased for the regular service in the same locality at prices varying from \$80 to \$200, and he very naturally came to the conclusion that such was the cash price of horses. Now, sir, I may very properly put the question to this Committee, what is the price current of horses? If I buy a horse and pay \$80 for him to-day, does it follow that a horse which you may buy for \$400 to-morrow is worth simply \$80, or if I buy a horse at \$400 to-day does it follow that the animal which you may buy to-morrow at \$80 is a cheaper horse? Are horses to be measured by a regular price current like wheat or oats?

Now, sir, these are the facts established by sworn testimony before that Commission in regard to the horses purchased for the regular service. They were mostly Indian ponies, or horses of Spanish blood, with a few worn out American horses. They were purchased for the purpose of remounting the dragoons, under an order from General Wool prohibiting the payment of more than \$200 for one horse. They were taken to Vancouver, and every one of them, before a board of regular officers, was condemned as unfit for the purpose for which they were purchased. Not one animal came up to the regulation standard. Not one was fit for cavalry uses. The agents who purchased these horses for the regular service gave their sworn testimony that the horses purchased for the volunteer service were every one up to the

dragoon standard, and that their value was more than double the value in cash of the horses purchased for the regular service. That was the reason why the Commission fixed the maximum price at \$400. Has the Third Auditor any means of getting at the proper cash prices of the horses purchased for the volunteer service? Sir, the report of that officer upon this subject does great injustice to the purchasing agents of these horses, and any report which he may make will, of necessity, do injustice, for the simple reason that he has not the information before him.

Now, I undertake to say that an investigation into the other matters contained in this report would show nearly the same result. It would show that there was judgment and care exercised in the purchase of supplies, and that great judgment and care was taken by the Commission in protecting the rights of the Government. Why, sir, the value of American horses in the valley of the Willamette, in Southern Oregon and at Puget's Sound, at that period ranged from \$250 to \$500 cash value. In making up the value of personal property to be taxed, every one knows that the assessed value of property is some per cent. below the cash value, and yet the assessed value of horses in that country show these prices.

I have here a paper from Captain Keller, the largest lumber manufacturer on Puget's Sound—a gentleman who manufactures some 12,000,000 feet of lumber a year; who employs one hundred and fifty hands; who keeps two large steam saw-mills going constantly; and who is one of the best informed men on the Pacific. I have here a statement from him in regard to prices, which I will make a part of my speech.

It will appear from this paper that for his mills at Port Gamble, he paid for oxen \$320 per yoke, and for mules as high as \$325 each; and that hay cost in San Francisco sixty dollars per ton. He also gives many interesting facts in regard to the fluctuation of prices.

Now, sir, what means has the Third Auditor for ascertaining these facts? I submit that it is an absurdity to refer the matter to him. Unless you send him to Oregon and Washington to take testimony, he cannot make up the report, required by the House, without involving great injustice in the proceeding.

There are some animadversions in the report of the Third Auditor in regard to our claims, at which I have been very much surprised, because the report itself, as a general thing, furnishes the material for its own refutation; and the only apology which I can find is, that the work was necessarily done in a short time, and that the Third Auditor was not able to give it a proper examination. In justice to him, it ought to be said that he speaks of his report as the result of a somewhat cursory examination. He complains very much of the fluctuation of prices in the volunteer service. He speaks of it as extraordinary and remarkable, while his own report shows, that in the regular service the prices fluctuated as much. In the fourth quarter of 1855, during the pendency of the volunteer operations, the quartermaster of the regular service in southern Oregon, paid at Fort Lane for oats, prices varying from two to five dollars per bushel, and for hay, prices varying from thirty to one hundred dollars per ton. Which will be the cash price of the article under the recent resolutions? The maximum price allowed by the commission for hay was one hundred and twenty dollars per ton. But nearly all the hay was purchased at prices much under one hundred dollars. The paper of Captain Keller gives many interesting facts in regard to the fluctuation of prices on our coast; and what has excited the surprise of the Third Auditor, is personally known to all men of intelligence and experience in western coast matters, as an every-day occurrence.

Now, these remarks in regard to prices are sufficient for my purpose, showing how, in two matters of fact, the Third Auditor has been led to a most unfortunate and untrue conclusion. He is equally unfortunate when he refers to the subject of sales, on which rest, particularly, the vindication of our service; because it is a fact, that the property, after being deteriorated by long use through a rainy and long winter, sold in the aggregate for about what it cost. He enumerates particular articles, such as pack-saddles, riding-saddles, and gear of all kinds, which sold for a small amount, forgetting that they had been worn out in the service, and that if it had been a case of property in the regular service, it would have been condemned by a board of officers, and would have brought nothing. He also forgets the fact that, in the sale of property such as provisions, there was a considerable surplus, and it was not to be expected that it would bring even the cash price of the country; for every one knows what the effect is of throwing upon the market a large quantity of provisions.

Again, he complains that we sold more horses than we had purchased. He

brings that as evidence of great irregularity and great unreliability in our accounts. Well, sir, we lost some horses, some died in the service, and some were captured by the Indians, but we captured many from the Indians. And all those horses were turned in as public property and sold at public auction. They were an inferior kind of Indian horses, run down by service, which brought the low price of which the Auditor complains.

Now, sir, the fact that we sold more horses than we purchased is undeniable. Animals were captured from the hostile Indians. There were stringent orders issued to both Territories prohibiting the appropriation of captured property to private uses; and such property was accounted for and sold, and the proceeds made use of to diminish our debt.

In justice to the quartermaster and commissary general of the Washington force. General Miller, who has come under the animadversions of the Third Auditor, and than whom there is not on that coast a man of larger business capacity, or more inflexible integrity, I desire to quote from his official report passages, showing the discouraging circumstances under which our operations were carried on, and the facts in regard to the sales of our animals and other means of transportation.

"The operations of the department under my charge have been carried on under very discouraging circumstances. There was no ready money with which to meet daily expenses. There were no large cities, or wealthy communities, where supplies could be purchased for the immediate needs of the troops. Every thing had to be obtained, if possible, for scrip, from either this or Oregon Territory, both sparsely populated, already impoverished by Indian hostilities, and of which a large number of the inhabitants were in arms against the common enemy. In this Territory, especially, many of the farmers had been driven from their claims—others, with every disposition to help the common cause, could not do so without depriving their families of bread. Notwithstanding this, the conduct of the citizens has been worthy of all praise. Without their zealous co-operation, the volunteers would have starved.

"In obedience to orders, the public property has been disposed of as soon as possible; and with haste is being made to bring the affairs of the department to a close. I am gratified to be able to state, that much of it sold at a high advance on the original prices, which were regarded as extravagant at the commencement of the war. Yet, horses, which cost \$250 to \$400, brought from \$200 to \$600; wagons, costing \$200, were readily sold for \$300; and oxen were disposed of at thirty per cent. above cost. This, too, after the property has been, of course, deteriorated by six months' active service.

"As an evidence of the fidelity with which the public interest has been protected, it is sufficient to state that, whilst five hundred and seventy-one horses were purchased for the service, six hundred have been turned in and sold. When it is remembered that many of the animals have died in service, and that many have been captured by the enemy, it will be seen how faithfully the animals purchased, and those captured at Grand Ronde, have been accounted for."

How is it with sales in the regular service? How was it with the sale of the vast quantities of supplies, transportations, &c., at Vera Cruz, at the close of the Mexican War? How was it at a similar sale at the Brazos? It is a matter of notoriety that everything was sold for a song. How is it with the sale of condemned property at military posts; with the sale of horses reported upon by a board of officers and pronounced unfit for service? How is it with the sale of provisions, condemned for a like reason? How is it with the sale of clothing, condemned for a like reason? I know something about these sales, and if the Third Auditor had gone to the records of the War Department, and had ascertained the prices at which condemned horses and other property had been sold at the military posts in Oregon and Washington, he would have had reason to congratulate the National Treasury upon the sale of horses, made in the volunteer service of these territories. The report of the Auditor shows that many animals sold at prices exceeding the cost, after having rendered six and nine months service, and become very much reduced in flesh and fitness for service in the operation.

We have, Mr. Chairman, been between two fires in that Territory, and we now find ourselves between the veteran General, who declared that we could only subsist ourselves by plundering the Indians, and the Third Auditor, who complains of us because we had such ample transportation, and such ample supplies; transportations and supplies which made it entirely unnecessary for us to plunder the Indians. Who is to be relied upon? the Commanding General, or the Third Auditor?

I will call your attention to some remarks of General Wool, contained in his letter from Bernecia, August 4, 1856, addressed to the head quarters of the army. General Wool, referring to the operations of Colonel Shaw against the hostile Cayas and Walla-Wallas, uses this language:

"In doing this, his object"—that is, the object of Governor Stevens—"was to provoke a continuation of the war with the Walla-Wallas, and to *plunder the Indians of their horses and cattle.*"

And again, he wrote to Colonel Wright, through his chief of staff, Major Mackay, under date of August 2d, as follows:

"It appears that Colonel Shaw, from Puget's Sound, with his volunteers, has gone to the Walla Walla country. *His men can only be subsisted by plundering the Indians in that country.*"

Such are General Wool's reports in 1856; and now the Third Auditor speaks with surprise of the amount of our transportations and our accumulation of supplies, and finds fault with the forecast and success which prepared the sinews of war in defence of our people.

Let me indulge a moment in reminiscence. I had peculiar feelings as the Executive of the Territory, in that matter. I was the Indian Superintendent, and I had sworn a solemn oath to protect their rights. I had told them in counsel that I was their father, and it was to me a matter of conscience, as well as a matter of determination, that these friendly Indians should be protected. And this was the reason why I, as the Executive, desired to accumulate supplies and to get transportation, so that the volunteers should not be tempted to plunder, to procure subsistence. And yet this very forecast, this very care, both of the troops and of the Indians who were then friendly, is made a matter of reproach. How could we judge when the war would terminate? On Puget Sound, as I observed last session, we had three Indians to every able-bodied white man, and it was a country peculiarly fitted for Indian warfare. The immense forests on the shores of Puget Sound, afforded the Indians inaccessible retreats, and the waters of that Sound gave them the means of collecting all their forces, in order to strike down any settlement on its shores.

I felt it to be my duty, and that was the feeling in both of the Territories, to take time by the forelock, to accumulate supplies and means of transportation, so that we could protect the settlements against Indian rapine and massacre. And, sir, if I were to be put in a similar position, I cannot tell how in these respects I could act more wisely, or deserve better the approbation of my country.

There is also complaint made in this report that we furnished families with food. I wish I could speak to this House on this point; that I could portray the condition of that most unfortunate and most distressed people. Why, sir, our people lived in block-houses for six months. Farmers were driven from their claims. Three counties were wiped out. In several settlements every soul was massacred. We had many many families on the verge of starvation. They could not get away, and they could not get wherewithall to keep body and soul together. What did humanity require? What did public duty require? What did the precedents furnished by the regular service require? To see them starve, or to furnish them with rations? What is done in the regular service in such cases? What is done to the distressed emigrant families upon the plains? Why, sir, rations are issued out to them. Trains are got up and supplies are sent to them. It has been done in Washington. It has been done in Oregon; and instead of being made a matter of complaint, it has always received the approval and commendation of superior authority. That was the case in both of these Territories. I little dreamed when reading in my youth, the history of New England, of my native State, Massachusetts, and of my native town—and I was born in a house the scene of Indian burnings—I little dreamed that my fortunes would carry me to the extreme Northwest of my country, and that it should be my fate, in connection with its people, to do what I could to save them from the horrors of an Indian war. I now see in my mind's eye the early history of New England; and, sir, I say that there has not been a parallel in danger and in difficulty and in suffering to the history of Oregon and Washington, during the years 1855 and 1856. I say it without fear of contradiction.

The Auditor also brings forward, to the disparagement of the service, the fact that clothing was issued to the volunteers when they were going out of service. Did that show judgment and a proper regard for the public interest or not? The volunteers had not received one cent of money for their services. There was a considerable sum due to them. Their clothes were worn out. Was it the duty of the territorial authorities to send them home naked to their families, or to issue to them clothing which was on hand, at the scrap prices, and charge the same upon the muster rolls? Which best protected the rights of the Government, the disposition of this property at the prices for which they were purchased, thus involving no expenditure to the Treasury, or the forcing the clothing upon the market at public sale at a great depreciation in value? The Auditor finds fault with the sales, and he finds fault with issues to discharged volunteers. These were the simple alternatives. I protest against such trifling and carping, as unworthy of a public functionary, and as calculated to cast discredit upon this Government.

He seems also to be surprised at the large quantities of clothing issued to volunteers in the field. The Commission was acquainted with the field of operations, which explained the whole matter. The scouts were made mostly in heavily timbered regions without trails, in the rainy weather, and the wear and tear of clothing was many times greater than in ordinary service.

The Auditor complains that men were retained in service and obtained pay of the Commission after the volunteers were disbanded, forgetting or not appreciating the fact, that these services were indispensable to settling the accounts and preparing the final papers for the action of the Commission. It has taken the Auditor the whole recess of Congress to make a somewhat "cursory examination" of these accounts and papers. Does he suppose, or does this Committee suppose, that we could settle up the business without keeping in service for some considerable time the heads of Departments with suitable subordinates and assistants? And were such services to be recognized by the Commission or this Government? It was a service honestly, fairly, and necessarily rendered, and is entitled to consideration equally with service rendered previous to the disbanding of the volunteers. His allusions to General Miller are entirely gratuitous and unfounded. If he will take the trouble to inquire, and not proceed rashly to decide, he will unquestionably find ample justification for the action of the Commission in the allowances to him of compensation, and so of the other gentlemen to whom he alludes.

Again the Auditor seems to be surprised that animals were purchased or brought into service by appraisement, from the enlisted men of the service, and that there were men in the service who received pay for more than one horse. He says:

"Captain Yantes' company, of only twenty-three strong, including four commissioned officers, were also called out to protect the United States commissioners making treaties with the Indians, in which one private is reported for pay for three horses in service, which was two more than he was entitled to keep."

"Many of the owners of this property, if not the greater part of them, were members of Captain Maxous' company, and an examination would probably show that all of them were members of this or some other company."

Now the facts would satisfy even the Auditor himself. It is extraordinary that it should be made a reproach against the service that the men of means in the country, not only freely furnished of their substance to free the country from the horrors of an Indian war, but gave their own personal services into the bargain. For it is a fact, that the most extensive and wealthy of the farmers and stock-raisers enlisted as privates, left their herds and fields to waste and decay, and marched into the interior, or operated in the forests of Puget Sound and southern Oregon, to bring back peace to their distracted country. Men enlisted into the service, furnishing not only a horse for their own use, but for their neighbors who had no horses. These horses were in the service of the Territory. No man had more than one horse for his own use, and it was by getting horses from those who owned horses that every man was mounted. It seems to me that these facts show the admirable and patriotic spirit of our people, and peculiarly recommend the service to the confidence and appreciation of the country.

The Auditor, moreover, brings up the case of company A, Washington Territory volunteers. He states:

"This company was fifty-three strong, all told, and the roll shows a service altogether of 8,783 days, and if it had so served, entitled to that number of rations. A large number of the members are marked on the roll as having signed 'unmilitary resolutions,' and only seven of the fifty-three, all of whom are marked, are certified by Colonel E. C. Fitzhugh, the inspecting and mustering officer, as entitled to an honorable discharge. Of course the rest of the company were not so entitled, and therefore had no claim either for pay, maintenance or any of the allowances consequent upon a military service. The captain resigned on the 24th of May; the 1st lieutenant was suspended on the 20th of June, and the remaining lieutenant signed unmilitary resolutions. Yet, notwithstanding all this, the whole company, except two, one of whom deserted, and the other was absent without leave, are reported for, and payment for the United States recommended by the board of commissioners, to the amount of \$13,907 75, beside the clothing, &c., received by them to the value of \$3,996 38."

Now it must be admitted that no attempt was made to secure payment for this company, either by the Territorial authorities or by the commission under false pretenses. The facts are given precisely as they occurred. There is no dispute that the service was rendered. It was a very trying and difficult service. The company was raised in King county, and did duty in the forests of King county, and was stationed not at Seattle, the only refuge of that county for its citizens, every other house having been burned down, and a flourishing settlement of one hundred families having been despoiled of all their property, but in the midst of the scenes of Indian rapine and devastation, from which it drove the Indians intoxicated with success and flushed with victory. Their scouts and the roads they made are given in the official reports. Considering all these circumstances, the Territorial government urgently recommended payment for their services, and the commission decided that payment ought to be made. I think the Territorial government and the commission acted in the spirit of simple justice. It must be borne in mind that were it a case in the regular service, the payment for service would have been essentially

made. For payments there are made every month or two months. But in the volunteer service, no payment whatever had been made. It would have been most unjust, considering the services of that company, considering the misfortunes and suffering, and massacres, and burnings with which their county was afflicted, considering the recommendations of the Territorial government, to refuse to make payment for services actually rendered, and which were of signal value and of imperative necessity.

Mr. Chairman, I propose in these remarks rather to fasten upon points, than to go into the whole subject. But the Auditor has gone into implied censures of the organization we adopted in Washington Territory in order to wage that war; and he has covertly indulged in slurs against the service. He complains because there was so large a staff, because there was so many Quartermasters and Commissaries and Surgeons, and so many higher officers. Well the Commission examined that matter. What does the Third Auditor presume to know about those matters? How can he apply the reasons to the facts? The military gentlemen of that Commission, men who served in that country, examined that territorial staff and organization, and they were satisfied that the organization was good and effective; and that the staff was simply adequate to the duties they had to discharge. It is proper to state, that it is an axiom with military men that the staff is not so much proportioned to the force, as to the extent and character of the country over which that force operates. And, sir, in the extent of our operations, in the character of our country, you find the conclusive and overwhelming reason for the organization adopted.

The Auditor complains that our companies were small. But you must recollect that our population was sparse. If we organized at all, we had to organize in small companies. That is a conclusive refutation of that objection.

But, Mr. Chairman, in a certain part of the Report, the Auditor disparages the service, by speaking of it, "such as it was." I have, sir, served in one campaign and five pitched battles. I have heard the whistling of bullets; and I carry on my person the marks of honorable wounds received in the service of my country; but I have never been in a service of such danger and difficulty as the service characterized by the Auditor "such as it was." I make no special complaint of the Auditor. It was unfortunate that he went out of his province to criticise what was not within his knowledge. When I returned from the Blackfoot country to Puget's Sound in the months of November and December, 1855, through thousands of hostile Indians with a party of twenty-five men—we moved through forests and over mountains for four hundred miles—not a man of my party believing that we would get through, but every man expecting that his bones would be left to whiten upon the great plain of the Columbia. That was a service characterized by the Auditor "such as it was." I feel proud of that service, not for myself alone, but for the noble devotion and heroism of my party; men who had crossed the continent with me in 1853, and whose nerves and hearts were hardened to steel. I will give some facts showing the imminence of the danger in my own mind.

We had crossed the Bitter Root mountains in snow three feet deep, and had reached a camp twenty-five miles from the first Indian village. I was satisfied the Indians had no notice of our coming. They were reported and believed to be hostile. My animals were tired out and my men broken down with the long march. It was impossible for me to move my train in a single day to the village, and if I did make the attempt, I was of opinion that our movement would be slow and straggling, and that we could not reach the Indians before they would hear of our coming, and that they would have time for preparation. So I determined with two men to go in advance of my party, and see whether in this way, taking them by surprise, I could not direct their minds from hostility and thus insure the safety of my party. So, mounted on our best horses, the two men and myself with four friendly Indians started, leaving directions for the train to reach the village the following day. We moved on rapidly. Soon after noon we came in sight of the Indian village. We rode into the midst of the Indians, dismounted from our horses, and with our rifles in one hand, we offered the other to the Indians. They were taken entirely by surprise. They had not the slightest intimation of our approach. Their preparation to give us a hostile reception had only been abandoned a few days, as they had given up all expectation of our coming. They grasped our outstretched hands, and through the aid of the friendly Nez Percés their minds were softened, and my party, the next day, were received with kindness by them.

Mr. Chairman, that was done by me as a matter of judgment. I was satisfied that I was safer with that tribe with two men, the tribe not knowing of my coming, than

I would be, they having notice, with twenty-five men at my back. My judgment was satisfied as to the course of safety, and, thank God, I did happen to have nerve enough to act as my judgment dictated. We moved on to the Spokane with the same party. It was these same *Cœur d'Alènes* and *Spokanes* who drove Steptoe and his one hundred and fifty men out of that country last season, and compelled him to move ninety miles in one night, abandoning baggage and howitzers. The result of our interview with these two tribes was that their friendship was gained after a stormy and doubtful conference which lasted for some nine days. Before we parted from them, the Indians came to us with their little complaints, asking for redress. I saw that we had gained their confidence, and then I knew that their hearts were mine. Not only did we have them as friends, but they offered their assistance, which was declined.

That is the sort of service that is represented by this Auditor, "such as it was." It was a service, the like of which I never saw before, and the like of which I never expect to see again.

When I moved from the Spokane, I did not know what were the feelings of the Nez Perces. They were reported to be hostile. I knew that the chief, Kamiakan, with five hundred warriors, was at Priest's Rapids on our flank, and that Pu-pu-mux-mux, with seven hundred warriors, was on the Touchet and on Mill Creek in the Walla-Walla country blocking up the road. I started for the Spokane with our pack animals, carrying only eighty pounds and twelve days provisions. On the Spokane we had exchanged all our horses but five, and got the best horses in the country. I knew the country well, and I was satisfied that if we found all the Indians hostile, we could some way or other work our way to the settlements. This was the service "such as it was." Fortunately for our safety, the Oregon volunteers advanced upon the Walla-walla, met and defeated the Indians, and opened the way for my party, increased to about fifty men by the accession of the miners from Colville.

Mr. Chairman, I desire now to touch upon some other matters, in justice to individual companies and to gentlemen in the territory. The Auditor has discovered some double and treble payments. I am glad that these are made known. With one exception, they were unknown to me before. It is not to be expected that in a new service—and particularly in the Quartermaster's and Commissary's service—mistakes were to be avoided, for even in the regular service, and where there are trained officers, there are very often great difficulties in adjusting and making out the accounts. If the Third Auditor had gone through all the accounts, and had found no mistakes in them, it would have excited the suspicion of every man versed in such matters.

Some years ago, Mr. Chairman, while I was in the army, I called on a friend of mine in one of the Bureaus of the War Department, and we commenced to converse about old acquaintances. The conversation finally turned upon a person who had prided himself in never having had a mistake formed in his accounts during a service of twenty years. Said he, "I believe that man is dishonest. It never happened to mortal man, in a course of twenty years, to get his accounts all perfect. He has done a good deal of cooking and working up." That, is the invariable impression produced by these infallible accounts.

If in our volunteer accounts everything had been found right, and according to rule it would have been damning evidence against them, because the thing is impossible. I state this as a fact, which the experience of the Third Auditor might have suggested. It is sufficient, however, for the vindication of the awards of the Commission, and for the vindication of the people of the territory, that they have not asked for the double or treble payment. We, acting for them, have stated, from the very outset, at the last session of Congress and at this, that we asked nothing of that kind. It was simply a mistake that occurred, and that would have been ascertained in any adjustment of the accounts.

There were cases however, of men in the civil and Indian service of the Territory, who were also engaged in its military service, and there were strong reasons in the opinion of the territorial government of Washington, why they should be allowed their pay for military service, in addition to their other pay. But the fact of the employment in other service, with the amount of compensation, was expressly reported to the Commissioners, and by them carefully set forth on the proper muster-rolls. There was no attempt, either on the part of the territorial authorities, or of the Commission, to conceal or evade the facts; which is their emphatic and sufficient vindication from the implied charge of the Third Auditor, of wrong and concealment.

There is a certain transaction in regard to exchange of property between the vol-

unteer service and the Indian service, in respect of which the Third Auditor arrives at a very wrong conclusion. The Indian service hired from the volunteer service, horses and mules and oxen, at fifty cents per day, per animal, and wagons at fifty cents per day each. The Third Auditor concluded—and very naturally, perhaps—that such were the cash prices of the hire of animals and wagons at that time, whereas the truth is that they were the *scrip prices*. That was what each day's use of a horse, or mule, or yoke of oxen, or wagon, cost the volunteer service *in scrip*. For taking the cost of the animals and wagons we purchased, and deducting from it the amount for which we sold the same, and distributing the balance through the days work of animals and wagons, we find the cost to the volunteer service was about fifty cents per day, and such was the charge made for their use against the Indian service. Observe, that this whole matter was a thing which grew up in consequence of a particular turn in affairs, which was not anticipated and provided for in the beginning. The battle of Grande Ronde was fought, and a great victory gained over the Indians. They all sent in messengers asking for peace. The Nez Perces, particularly, who had been friendly up to that time, asked me to go to the Walla-Walla and meet them in council. This victory and the changed deportment of the Indians, in connection with the movement of regular troops to the Walla-Walla, which before that time had been refused, as the official reports show, changed the whole aspect of affairs. Although I had issued a proclamation calling out two hundred additional volunteers, I immediately revoked it, and disbanded the volunteers already in service in that quarter of the Territory; that left on hand a large quantity of provisions, which could be applied with great advantage to supplying the wants of friendly Indians, and subsisting them at the council. Thus, supplies purchased for the volunteer operations, were applied to the Indian service, and at prices which provisions bring at sales where a large quantity is thrown upon the market. It was believed simply but just to the volunteer service, to charge the Indian service precisely what it cost the volunteer service to transport them.

I do not make any complaint of the deductions of the Third Auditor, for it was natural; but it is seen how indispensable it is for the facts to be known before a deduction is made. These facts were known to the commissioners who examined into them all, carefully; and there was great care taken to protect the interests of the Government.

The resolutions to which reference have been paid by which the whole matter is referred back to the Third Auditor, are as follows:

Resolved, That, preliminary to the final settlement and adjustment of claims of citizens of the Territories of Oregon and Washington for expenses incurred in the year 1855-'56, in repelling Indian hostilities, it shall be the duty of the Third Auditor of the Treasury to examine the vouchers and papers now on file in his office, and make a report to the House of Representatives by the first Monday in December next, of the amounts respectively due to each company and individual engaged in such service; taking the following rules as his guide in ascertaining the amounts so due:

1. He shall recognize no company or individual as entitled to pay, except such as were called into service by the territorial authorities of Oregon and Washington, or such whose services have been recognized and accepted by the said authorities.

2. He shall allow to the volunteers engaged in said service no higher pay and allowances than were given to officers and soldiers of equal grade at that period in the Army of the United States, including the extra pay of two dollars per month given to troops serving on the Pacific by the act of —, 1852.

3. No person, either in the military or civil service of the United States, in said Territories, shall be paid for his service in more than one employment or capacity for the same period of time; and all such double or triple allowances for pay as appears in said accounts shall be rejected.

4. That in auditing the claims for supplies, transportation, and other services incurred for the maintenance of said volunteers, he is directed to have a due regard to the number of said troops, to their period of service, and to the prices current in the country at the time, and not to report said service beyond the time actually engaged therein, nor to recognize supplies beyond a reasonable approximation to the proportions and descriptions authorized by existing laws and regulations for such troops, taking into consideration the nature and peculiarity of the service.

5. That all claims of said volunteers for horses, arms, and other property, lost or destroyed in said service, shall be audited according to the provisions of the act approved March 3, 1849.

These resolutions not only direct the Auditor to scale the prices to the cash prices in our country, which he has not and cannot have the information to do, but also directs him to decide as to the quantity of supplies and transportation received for the service, a duty which the Third Auditor will be equally impotent to perform.

But, in face of the known facts as to prices in that country, these resolutions forbid the Auditor to allow more than \$200 for the appraised value of a horse, and it is obvious that every purchase of horses will be reduced to that price by the Third Auditor. It matters not that horses at private sale bring from \$300 to \$500. It matters not that the people are taxed for their horses at the same rates. It matters not that all these purchases were made by contract, and that governmental faith is involved. They must all be brought to the bed of Procrustes. Because General

Wool bought a few worthless Indian ponies and worn out American horses, for from \$80 to \$200, every one of which was condemned as unfit for service; therefore the large, strong-limbed, serviceable, and hardy American horses of the volunteers, which *were* fit for service, which *did* come up to the regulation standard, which went through long and severe campaigns, living simply on grass, and which enabled the volunteers to strike the hardest blows, and achieve the greatest victories over the Indians, which were struck and achieved either by volunteers or regulars, are to be paid for at rates from \$80 to \$200. This course is not only unjust to our people, but disgraceful to our Government.

The resolutions nominally propose to give the volunteer the same pay as the regular service. But, practically, they do not. For, in the regular service, every man enlisted in Oregon and Washington is paid one hundred and forty-two dollars bounty money, that being the estimated cost of transporting recruits to that district from the Atlantic depots. It cost \$150,000 to transport the ninth regiment of infantry to Fort Vancouver, and \$50,000 more before they reached their appropriate field of labor in the interior. Yet, an amendment offered to these resolutions, proposing to pay the bounty to the volunteers to make their pay equal in every respect to that of the regular service, was voted down.

There is another consideration which gives peculiar weight to these claims, and which entitles the territorial authorities and the Commission to the confidence of this Congress. The facts and circumstances of the service were promptly and minutely reported to this Government through the War Department, just as they occurred. For myself, as the Executive of Washington, I took especial care to report carefully by every mail, not only what had been done, but what was proposed to be done. These reports have all been published by order of Congress, and are therefore within the official knowledge of the members of this committee. Did the Government disapprove of the operations of the territorial authorities? They gave not a single intimation of disapproval. Did they direct the disbanding of the volunteers? Nothing of the kind.

I reported in May the probable expenses of the service in Washington Territory, and the probable length of time it would be necessary to keep the volunteers in the field. Whilst I expressed my determination to keep down expenses to the lowest possible point, and to bring the service to a close at the earliest possible period, I expressed the opinion in May that it would not be safe to estimate that the expenses would be less than between one million nine hundred thousand and two millions of dollars. The commission, after a laborious and faithful examination, report the debt about three quarters of that amount. The indebtedness was kept down so much below the estimates, partly by our care and success in reducing the expenses and length of the service, and partly by good judgment and good fortune in disposing by sale of the public property left on our hands at the close of the war.

In like manner, as the Indian superintendent, I reported in great detail to the Indian Department all my operations in the Indian service, which reports have also been published by order of Congress, and I defy the most censorious and the most prejudiced to read consecutively my reports in the Indian and military service, without coming to the conclusion that there was the most perfect and immovable determination so to manage affairs as to bring to a conclusion a most disastrous Indian war, to protect the Indian tribes in all their rights, and to conduct the service in a manner which should deserve the commendation of all good men who truly love their country, and desire the advancement of its honor and renown.

In conclusion, Mr. Chairman, I protest against the action of this House; I protest against the report of the Third Auditor; I stand fairly and squarely on the act of the last Congress that established this Commission, and I demand, in the name of the people of Washington, that payment be made according to the awards of that Commission.

APPENDIX.

Statement of J. P. KELLER, of Teekalet, Washington Territory, on the subject of claims growing out of Indian hostilities in said Territory.

The Puget Mill Company, of which I am a member, has been established at Teekalet, in Washington Territory, and engaged in the manufacture of lumber, and in mercantile business, since the summer of 1853. During all that time, I have been the acting agent of said company, and have had ample means of knowing the prices of labor, provisions, supplies, and in fact of all descriptions of exchangeable property on Puget's Sound. The company has constantly kept in its employ a large number of laborers, and has now in its employ about one hundred and fifty men. Our stock of goods, for the last three or four years, has averaged from fifteen to twenty-five thousand dollars, chiefly provisions, clothing, &c.

At the commencement of Indian hostilities in 1855, and during their continuance, prices of labor, provisions, and supplies, at Puget's Sound, ruled very high, and, with some fluctuations, have so continued ever since.

I think I am perfectly safe in saying that labor at Puget's Sound has commanded higher prices, from 1853 to 1858, than in any other State or Territory in the United States.

The price of day labor has generally ruled from \$2 to \$4, with boarding found by the employer, during said five years, and sometimes higher. Officers of the army have been compelled to pay day laborers \$4, and sometimes more. The price per month, with boarding found, has ranged from \$35 to \$150, according to the kind of service performed.

The Puget Mill Company has had in its employ from twenty to one hundred and fifty men, during the time aforesaid, at the above rates. All other companies and individuals employing laborers have been paying about the same rates.

Prices of provisions and supplies of all kinds, during said time, differed much, in consequence of difference in times when, and places where, delivered or furnished, and according to supply and demand—as in the course of a few months, the prices of many articles sometimes varied much in the markets from which they had to be obtained.

Flour was refused at offers of \$16 in the course of the war, and reached \$15 in San Francisco, in April, 1856.

Pork and beef (good articles) have generally ruled at from \$30 to \$50 for the last five years—beef having sometimes exceeded the price of pork. Pork was selling at \$45 per bbl. on Puget's Sound, in the spring of 1858, and I think reached that price in San Francisco about the same time. Prices ruled high for nearly a year previous. Up to and during the time of the war, all salted beef and pork was obtained from San Francisco, and were very scarce at times on Puget's Sound, during the war.

In April or May, 1856, barley was $4\frac{1}{2}$ cents per lb., and hay \$60 per ton, in San Francisco. Sugar and many other articles have frequently reached high rates at San Francisco during the last five years; say cargo sales of sugar at $18\frac{3}{4}$, coffee $22\frac{1}{2}$, &c., as all know who have noted the market prices. Soap, candles, &c., have often been very high during the same time. All these articles, which had to be obtained from San Francisco, of course commanded higher rates on Puget's Sound.

The contract to supply the military post at Fort Townsend, for 1857, with fresh beef, was at $22\frac{1}{2}$ cents per lb., and the contractor failed, to supply at that price, for the full year.

The price of working oxen per pair has ruled from \$250 to \$320, for the five years last past, on Puget's Sound. The latter price was agreed upon at Fort Townsend, for a pair, in May, 1858, for the Puget Mill Company, when it was known that it would cost \$20 to deliver them where they could be put to work.

But very few pairs of oxen have cost less than \$275, delivered at the mills of the Puget Mill Company, since the summer of 1853. The company has bought hundreds of oxen since that time, and has from thirty to forty pairs now.

We do not use horses, but two mules cost, delivered at our mills, one \$286 in the spring of 1857, and the other \$325 in the spring of 1858.

I cannot testify as to the justice or fairness of all the accounts approved by the commissioners who examined and reported upon the claims growing out of Indian hostilities in Oregon and Washington. I can say, however, that in many instances prices that have been objected to as extravagantly high, and which would so appear to any one not acquainted with the circumstances under which the contracts were made or the supplies furnished, are in fact but reasonable and just.

The Puget Mill Company furnished large amounts of provisions and supplies for the troops during the war. These were all purchased of the company by Quartermaster Robinson, except about \$2,700 worth furnished Captain I. N. Ebey, at the commencement of hostilities, and which were furnished at lower rates than could be afforded afterwards.

The supplies furnished Quartermaster Robinson by the company were principally furnished upon contracts made at his earnest solicitation, and not sought by the company. The company was earnestly solicited to contract for furnishing further supplies, but refused. They consisted principally of provisions purchased by the company at San Francisco, to be delivered on Puget's Sound, eight hundred miles distant, at stated times. In order to fulfill these contracts, the company was obliged to divert a large amount of its capital from channels in which it could have been profitably employed, as well as to incur heavy liabilities which have been very embarrassing to the prosecution of their regular business. Something of course had to be added to prices, on account of the difficulty of obtaining these large amounts from a distant market at short time, and the uncertainty of getting their pay in a reasonable time; or, rather, the *certainly* that a good deal of time would elapse before payment. Experience has proved that the additions made to prices on these accounts were not sufficient to indemnify the company for the risks incurred.

I would here remark, that a comparison of the prices paid, or contracted to be paid, for provisions and supplies, during the war, with the prices at which the same or similar articles were sold *at auction*, after the cessation of hostilities, affords no just criterion by which to judge of the reasonableness of said contract prices. These auction sales took place at a time when, in consequence of the cessation of hostilities, cash prices had been much reduced, generally, on Puget's Sound, and threw upon the market many articles which were not wanted by the community in which the sales took place.

Where prices received at these sales are referred to, for the purpose of showing the market prices at Puget's Sound *during the war*, they are only calculated to mislead and deceive.

The prevailing rate of interest on Puget's Sound, since the cessation of hostilities has been from one to three per cent. per month, ruling at two per cent. and upwards. The legal rate of interest in the Territory is ten per cent. per annum, but money cannot be obtained at that price. The money invested by the Puget Mill Company, in furnishing said supplies, could have been safely invested at an interest of two per cent. per month.

When hostilities commenced, the company were without arms, and immediately dispatched a boat and six men to Victoria, Vancouver's Island, seventy miles distant, where they purchased to the amount of about \$400, and returned after an absence of a week. The company built a block-house, and furnished arms, ammunition, and provisions, and defended themselves throughout the war. Families from Whidby's Island came to our station, twenty-five miles, for safety, and occupied our block-house a portion of the time. For all these expenditures by the company, no charge has yet been rendered.

J. P. KELLER.

